GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:3022
ANSWERED ON:21.03.2002
SETTING UP OF 1000 MW TPP IN A.P.
Y.S. VIVEKANANDA REDDY

Will the Minister of POWER be pleased to state:

(a) whether the Government have asked the National Thermal Power Corporation(NTPC) to study viability of setting up a 1000 MW power plant at Shankarpalli of Andhra Pradesh;

(b) if so, whether after a joint venture agreement for setting up a 500 MW power plant with the State Government, NTPC acquired land for the project several years ago and subsequently backed out on technical grounds;

(c) if so, the main reasons stated by NTPC in this regard;

(d) whether the Government have been urged to revive the projects as it aimed at ensuring uninterrupted supply of power to the twin cities of Hyderabad and Secunderabad; and

(e) if so, the time by which the final decision in this regard is likely to be taken?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) to (c) : Hyderabad Metro Combined Cycle Power Project (650 MW) near Shankarpalli in Andhra Pradesh was originally envisaged with naphtha as the main fuel. The National Thermal Power Corporation (NTPC) accordingly submitted a Feasibility Report to the Central Electricity Authority for techno-economic clearance. However, due to the high cost of naphtha and the resultant prohibitive tariff, the project proposal could not be pursued further. NTPC had also undertaken an internal study of various alternative fuels for use in such projects. The study brought out that the proposed plant will not be viable with naphtha/Liquified Natural Gas as fuel as the cost of generation is likely to be over Rs.4 per unit, which will make the tariff unaffordable, from such power plants.

The domestic gas from Krishna-Godavari basin will be the most economic fuel for this project, but the possibility of obtaining linkage from this source is very remote and uncertain. Some alternatives to gas from domestic sources like Coal Bed Methane and gas hydrates were examined, but were not found suitable at present.

(d) & (e) : Non-viability of naphtha/LNG based power plant at Shankarpalli was informed to the Government of Andhra Pradesh. It is considered that the allocation of power from power projects like Simhadri Thermal Power Project (1000 MW), Talcher Super Thermal Power Project Stage-II (2000 MW) and Ramagundam Super Thermal Power Project Stage-III (500 MW) is expected to meet the power requirement of Andhra Pradesh.